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TAGS: [PREL](#) [PGOV](#) [SNAR](#) [AR](#)  
SUBJECT: ARGENTINA: POWERFUL KIRCHNER ALLY ON  
POST-ELECTION, POST-KIRCHNER PANORAMA

REF: BUENOS AIRES 0750

Classified By: CDA Tom Kelly for reasons 1.4 (b) & (d).

¶1. (C) Summary: CDA and Buenos Aires Province Vice-Governor Alberto Balestrini discussed July 7 Argentina's political panorama following former President Nestor Kirchner (NK) and his Victory Front (FpV) slate's second-place finish in the June 28 election in Buenos Aires province. A powerful insider and Kirchner ally, Balestrini wrote off the first couple as a political force in the future. He said that the reduction in the size of the FpV's bloc in the next Congress will require that the government negotiate and compromise. Looking to the 2011 presidential race, he said the Peronist Party (PJ) would meet next month to discuss a strategy and presidential candidates. Balestrini ruled out a 2011 presidential run by either President Cristina Fernandez de Kirchner or NK, and he said he believed the Kirchners realize their star has faded. He opined that the Peronist nomination for president would go to either newly-elected Senator Carlos Reutemann or Buenos Aires Governor Daniel Scioli. Balestrini said that NK's performance in the election was even worse than it seemed, arguing that the only reason NK received the votes he did in the province was because he hitched his wagon to popular provincial mayors and forced them to run as candidates. End Summary.

The Elections As Seen By a Peronist Heavyweight  
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¶2. (C) CDA Kelly met July 7 with close Kirchner ally Alberto Balestrini, Vice Governor of Buenos Aires province. One of former President Nestor Kirchner's (NK) closest and most powerful political allies, Balestrini shared his views on the political panorama following the ruling Victory Front's (FpV) poor performance in the June 28 midterm elections. (Note: Per reftel, the FpV won only about 30% of the vote nationwide. In the race's key electoral district of Buenos Aires province, the FpV led by NK placed second to Francisco de Narvaez of the Peronist dissident-Republican Proposal alliance, "Union-PRO.") Balestrini, who heads the national Peronist party (PJ) Political Secretariat, was among the party faithful called on by NK to run as candidates in Buenos Aires, a list that included Governor Daniel Scioli and the many popular PJ mayors in the province. Balestrini is a heavyweight Peronist political baron from the Buenos Aires suburbs. He was twice mayor in La Matanza, a huge, poor municipality that has been a Peronist stronghold. Kirchner reportedly did not concede defeat in the June 28 mid-term elections until ballots from La Matanza had been counted. The next day, when Kirchner resigned as head of the Peronist party on the day after the elections, Balestrini and Scioli were the only ones at his side.

¶3. (C) The Vice Governor sought to downplay the electoral results. After evoking the words of PJ founder, former President Juan Peron: "in elections, the people never make a

mistake," Balestrini asserted that the voters did not give a mandate to any one political force. He explained that in the 257-member Lower House, the FpV now has 96 national deputy seats, down from 115, while the Radical-Civic Coalition alliance has 80 seats and the remaining members represent other parties, including numerous provincially-based ones. Balestrini suggested that because of the new congressional composition, the government will need to negotiate and compromise to achieve the 129 deputies necessary to convene a session. He added that the government "will have to resolve" the situation with the farm sector. To that end, he expected the Kirchner administration to reduce export taxes on wheat and corn while maintaining the current (and controversial) export tax rates on soy and soy products.

#### Ks Out of the Running for 2011

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14. (C) The Vice Governor ruled out the prospect of a 2011 presidential run for either President Cristina Fernandez de Kirchner (CFK) or NK. Balestrini explained that, as a "close friend of CFK," he believes the Kirchners understand their star has faded. Balestrini said they could not achieve either the simple majority or the 40% with at least a ten-point margin over the runner-up that they needed to win in the first round, and they knew they could not win a run-off. Balestrini maintained the only reason NK received the votes he did on June 28 was because of reverse coattails -- he hitched his wagon to popular mayors by forcing them to run as candidates for city council seats that they did not intend to occupy.

15. (C) Balestrini identified preparations for the 2011

presidential elections as the Peronist Party's most pressing priority. He noted that Governor Scioli, the new party president following NK's resignation, plans to convene a roundtable next month with 24 party officials, including governors, deputies, and senators, to define a strategy and determine a candidate. Responding to the CDA's question on whether dialogue would also include discussions with first-place finisher in Buenos Aires province Peronist dissident De Narvaez, Balestrini said he did not consider De Narvaez a Peronist but rather one who claims PJ credentials to increase his electoral appeal. Balestrini maintained, however, that the slate's second candidate, Felipe Sola, is a Peronist, who "differs with us on the farm sector." He grudgingly acknowledged that De Narvaez was likely to participate actively in these consultations.

16. (C) With the Kirchners off the short list of presidential candidates, he said the likely PJ presidential candidate will be either Governor Scioli or Santa Fe Senator Carlos Reutemann. On Scioli, he said the Governor maintains a positive image despite the challenges he has faced in rising crime and the economy in governing the country's largest province. (Note: Scioli's image seems to have taken a beating with his decision to run as a testimonial candidate on Nestor Kirchner's slate in Buenos Aires province. According to a mid-May poll from Management and Fit, Scioli's positive image stood at 34.2%. This is not, in fact, that far from Balestrini's own estimate of Scioli's positives, which he put at 40%.) Balestrini said that Reutemann is a strong candidate because he won in Santa Fe, the most important province after Buenos Aires. (Note: Reutemann narrowly defeated Socialist Ruben Giustiniani, 42.26% to 40.59%; Giustiniani in turn was backed by Socialist party head and Presidential hopeful Governor Hermes Binner.)

17. (C) Balestrini dismissed recent press speculation that the government was considering moving up the presidential elections, constitutionally scheduled for the fourth Sunday in October 2011. He said the PJ would most likely convene a party primary in March 2011 to elect their presidential candidate. The PJ was going to need the next year to sort out its presidential candidate, he continued, and its ascendant politicians would prevent the Kirchners from imposing early elections if need be.

## Upcoming Florida Vacations

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¶8. (C) Balestrini relayed that both he and Governor Scioli would soon be enjoying respective vacations in Florida. He said the Governor would be leaving shortly for Florida and that Balestrini would travel for one week once the Governor returned home. Looking haggard, Balestrini remarked that the vacation would be a welcome respite after a year marked by one challenge after another, from the conflict with the farm sector to the severe drought, the dengue outbreak, moving up the midterm elections, and now the swine flu. He said that Scioli was exhausted and in even greater need of a break than he was.

## Bio Data

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¶9. (SBU) Balestrini's political career dates back to the 1960s when, as a law student at the Universidad del Salvador, he founded a Peronist youth faction. From 1973-1975, he served as legal advisor to La Matanza municipality. In 1975, he served a one-year stint as advisor to the PJ bloc in the Buenos Aires province legislature. From 1987 to 1989, he was the advisor to the Presidency of the Central Market in Buenos Aires and from 1989 to 1991 he served as managerial secretary in the national Lower House. He served as a national deputy from 1989 to 1995 and as a senator in the Buenos Aires Province Senate from 1995 to 1999. He was elected Mayor of La Matanza in 1999, serving in that capacity until 2005, when he won a national deputy seat and was elected Speaker of the House. Balestrini has served as vice governor since 2007 and as head of the PJ political secretariat since May 2008. Born on March 9, 1947 in Buenos Aires city, Balestrini and his wife have six children.

## Comment

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¶10. (C) Balestrini is very close to the Kirchners, and some say that NK in 2007 picked him to be Scioli's running mate to keep the ambitious Scioli in line. One measure of NK's trust in Balestrini is a highly speculative rumor that NK may coax Scioli into taking the seat he won in Congress, leaving Balestrini to run the province until 2011, when Scioli could

run for president and NK for governor. This meeting provided an excellent opportunity to hear the views of a close, trusted Kirchner ally in the wake of a disappointing performance for the ruling FpV in the midterms. Balestrini's downbeat comments on the Kirchners' political future suggests how steeply their political stars have descended in the ten days since the election.

KELLY